State: OKLAHOMA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-OTHER TYPES OF CARE

Early and Periodic Screening, Diagnosis and Treatment of Conditions Found (continued)

h. Private Duty Nursing - Payment for services will be based on the state-wide procedure based reimbursement methodology established by the State. Reimbursement will be made utilizing established rates for procedures which have been identified by the American Medical Association, Health Care Financing Administration, Medicare Carriers or the Oklahoma Department of Human Services. When no reimbursement rate is available, the rate will be set utilizing basic procedures used in establishing Medicare and Medicaid rates. A Procedure Review Committee consisting of medical professionals will make the final determination. Reimbursement limits per procedure are determined based on a review of comparable services under comparable circumstances as set by DHS and Medicare methodologies. Adjustments to the payment limits on an individual procedure will be periodically considered by the Procedure Review Committee on an as-needed basis as requested by medical providers. Consideration may be given to a payment adjustment to assure availability and accessibility of services primarily due to possible limited availability of services in some geographic locations.

State: OKLAHOMA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-OTHER TYPES OF CARE

Early and Periodic Screening, Diagnosis and Treatment of Conditions Found (continued)

i. Physical Therapist - Payment for services will be based on the state-wide procedure based reimbursement methodology established by the State. Reimbursement will be made utilizing established rates for procedures which have been identified by the American Medical Association, Health Care Financing Administration, Medicare Carriers or the Oklahoma Department of Human Services. When no reimbursement rate is available, the rate will be set utilizing basic procedures used in establishing Medicare and Medicaid rates. A Procedure Review Committee consisting of medical professionals will make the final determination. Reimbursement limits per procedure are determined based on a review of comparable services under comparable circumstances as set by DHS and Medicare methodologies. Adjustments to the payment limits on an individual procedure will be periodically considered by the Procedure Review Committee on an as-needed basis as requested by medical providers. Consideration may be given to a payment adjustment to assure availability and accessibility of services primarily due to possible limited availability of services in some geographic locations.

State: OKLAHOMA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-OTHER TYPES OF CARE

Early and Periodic Screening, Diagnosis and Treatment of Conditions Found (continued)

j. Occupational Therapist - Payment for services will be based on the state-wide procedure based reimbursement methodology established by the State. Reimbursement will be made utilizing established rates for procedures which have been identified by the American Medical Association, Health Care Financing Administration, Medicare Carriers or the Oklahoma Department of Human Services. When no reimbursement rate is available, the rate will be set utilizing basic procedures used in establishing Medicare and Medicaid rates. A Procedure Review Committee consisting of medical professionals will make the final determination. Reimbursement limits per procedure are determined based on a review of comparable services under comparable circumstances as set by DHS and Medicare methodologies. Adjustments to the payment limits on an individual procedure will be periodically considered by the Procedure Review Committee on an as-needed basis as requested by medical providers. Consideration may be given to a payment adjustment to assure availability and accessibility of services primarily due to possible limited availability of services in some geographic locations.

State: OKLAHOMA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-OTHER TYPES OF CARE

Early and Periodic Screening, Diagnosis and Treatment of Conditions Found (continued)

k. Christian Science Sanatoria - Payment for services will be based on the state-wide procedure based reimbursement methodology established by the State. Reimbursement will be made utilizing established rates for procedures which have been identified by the American Medical Association, Health Care Financing Administration, Medicare Carriers or the Oklahoma Department of Human Services. When no reimbursement rate is available, the rate will be set utilizing basic procedures used in establishing Medicare and Medicaid rates. A Procedure Review Committee consisting of medical professionals will make the final determination. Reimbursement limits per procedure are determined based on a review of comparable services under comparable circumstances as set by DHS and Medicare methodologies. Adjustments to the payment limits on an individual procedure will be periodically considered by the Procedure Review Committee on an as-needed basis as requested by medical providers. Consideration may be given to a payment adjustment to assure availability and accessibility of services primarily due to possible limited availability of services in some geographic locations.

State: OKLAHOMA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-OTHER TYPES OF CARE

Early and Periodic Screening, Diagnosis and Treatment of Conditions Found (continued)

1. Other Practitioners-Licensed Clinical Social Workers - Payment for medically necessary services, when preauthorized, will be based on the state-wide procedure based reimbursement methodology established by the State. Reimbursement will be made utilizing established rates for procedures which have been identified by the American Medical Association, Health Care Financing Administration, Medicare Carriers or the Oklahoma Department of Human Services. When no reimbursement rate is available, the rate will be set utilizing basic procedures used in establishing Medicare and Medicaid rates. A Procedure Review Committee consisting of medical professionals will make [illegible] determination. Reimbursement limits per procedure [illegible] based on a review of comparable services under [illegible] circumstances as set by DHS and Medicare [illegible]. Adjustments to the payment limits on an individual pro[illegible] be periodically considered by the Procedure Review Co[illegible] an as-needed basis as requested by medical [illegible]. Consideration may be given to a payment adjustment [illegible] availability and accessibility of services primarily [illegible] possible limited availability of services in some geog[illegible] locations.

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State OKLAHOMA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE

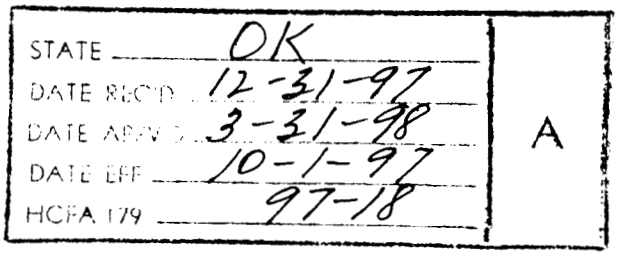
Rehabilitative Services

Outpatient Mental Health Services - Payment rates are established using a relative value unit (RVU) fee schedule. A monetary conversion factor (CF) will be used to determine the overall level of payment to providers for each service. The conversion factor is based on 1996 utilization and payment data (baseline). The formula for calculating the rate for each service is as follows:

RVU x CF = Rate

The conversion factor used to calculate the rates for services furnished to adults in public mental health facilities (and for providers who contract with the State mental health agency) is cost related, to ensure the financial solvency of these facilities who provide a broad array of mental health services, and are mandated by the State to bear responsibility for indigent mental health services.

The conversion factor used to calculate the rates for services to all children and for adults in private facilities is baseline adjusted, in order to result in payment rates that are comparable to those paid to private physicians and/or other non-physician practitioners, for mental health services covered elsewhere under the State Plan.



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State: OKLAHOMA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-OTHER TYPES OF CARE

Targeted Case Management Services for Developmentally Disabled Infants and Toddlers Ages 0 up to Age 3

The providers will be reimbursed by a set statewide fee per unit of service provided by enrolled case managers. The methodology for the set fee for a unit of targeted case management service is derived based on the average salary for specific dedicated personnel performing case management tasks plus clerical support. To this cost is added fringe benefits plus an indirect cost and an allowance for travel.

Indirect expenditures will include expenditures for overhead costs. Indirect expenditures will be documented by applying the indirect cost rate to direct expenditures consistent with recognized indirect cost identification methodologies. These meet federally prescribed requirements for documentation of indirect costs in Medicaid programs and the indirect cost allocation principles outlined by OMB Circular A-87.

The allowance for additional costs, which include transportation/travel, equipment, supplies, and office space/utilities, is calculated at 12% of personnel costs.

The rate is calculated as follows:

* PT + CT + ((PT+CT) x FB) + ((PT+CT) x IDC) + TRV = Case Management Rate

* Where PT = Professional Time
CT = Clerical Time x .50*
FB = Fringe Benefits Factor
IDC = Indirect Cost Factor
TRV = Additional Costs ((PT+CT) x FB) x .12)

* It is estimated that an encounter will include 30 minutes of direct patient contact and an additional 30 minutes in staff work in resource identification, referral arrangements, consultation, etc. The 30 minutes staff work will also require clerical support (or 50% of the hourly rate).

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-OTHER TYPES OF CARE

Case Management Services For High Risk Pregnant Women

Reimbursement is a set statewide fee per unit of service provided by enrolled case managers. The methodology for the set fee for a unit of case management service is derived based on the average salary for specific dedicated personnel performing case management tasks plus clerical support. To this cost is added a fringe benefits plus an indirect cost and an allowance for travel. The rate is calculated as follows:

* PT + CT + ((PT+CT) x FB) + ((PT+CT) x IDC) + TRV = Case Management Rate

* Where	PT	=	Professional Time
	CT	=	Clerical Time x .50
	FB	=	Fringe Benefits Factor
	IDC	=	Indirect Cost Factor
	TRV	=	Travel Allowance

The methodology is the same for both public and private providers. Cost reports are not required. Costs were obtained from the statewide prevailing average salary costs for professional and clerical staff. The professional staff cost is a weighted average of the hourly rates for all these professionals in proportion to the involvement in case management. The direct care fringe benefits and indirect care costs are state and federally negotiated percentage factors, respectively.

The average cost of direct case management services is determined by averaging the hourly salary rate (+ direct care fringe) of professional job classifications comparable to case management tasks. The clerical rate is determined by the average hourly rate for support personnel (+ direct care fringe). Direct care fringe includes vacation, holiday, sick pay and other paid absences, but excludes all other fringe benefits.

Indirect costs include recordkeeping activities, rent, supplies and other administrative functions related to the case management function. The allocation is a negotiated rate to be used on grants, contracts and other agreements with the federal government in accordance with the authority in Office of Management and Budget Circular A-87. The allocation is applied to the salaries and wages of employees who are assigned to any off-site facility.

Fringe benefits include FICA, health insurance, worker's comp, social security and retirement. These costs are added to the salary costs.

State: OKLAHOMA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE

Rehabilitative Services

Behavior Management Services - Payment rates are established based upon an analysis of the average annual costs of furnishing the minimum program components, as identified in Attachment 3.1-A, page 1a-6.8, and Attachment 3.1-B, page 2a-8.5, by participating providers. The payment is an all-inclusive daily rate for all services provided. This same rate will be paid to all eligible providers. Room and board costs, educational costs and related administrative costs are not reimbursable and are excluded from the calculation of the daily rate. Residential Behavior Management Services are limited to a maximum of one per day per eligible recipient.

Methodology Used to Determine Payment Rate - The rate is a per diem derived from the expected annual utilization of existing State Plan approved outpatient mental health services. The services and expected rates of occurrence/recipient are as follows:

1. Group Therapy - Three 30 minute units x 12 months
2. Individual Therapy - Two 30 minute units x 52 weeks
3. Family Therapy - Four 30 minute units x 12 months
4. Substance Abuse/Chemical Dependency Therapy - Two 1 hour units x 12 months
5. Basic Living Skills Redevelopment - One 30 minute unit x 365 days
6. Social Skills Redevelopment - Two 30 minute unit x 365 days
7. Crisis/Behavior Management - Four 15 minute units x 52 weeks

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State OKLAHOMA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE

Payment for Birthing Center Services

Payment to a birthing center on behalf of a Medicaid client is an all-inclusive facility payment and represents payment in full for the birthing center services. Separate payment will be made for the midwife or physician obstetrical care, delivery and postpartum care as appropriate.

Listed below is the methodology used to arrive at the birthing center payment rate:

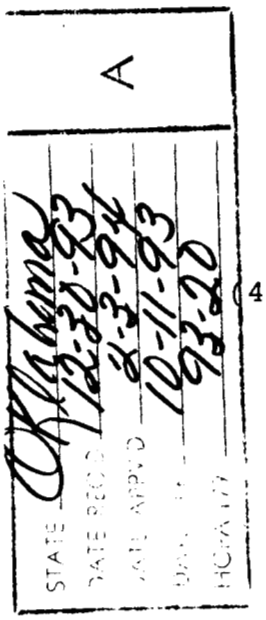
(1) The statewide hospital maternity level of care per diem rate was allowed for the mother and child.

(2) The average acute care inpatient hospital weighted fixed capital rate for maternity level of care was allowed as an add-on component of the maternity level of care for the mother and the child.

(3) There was a geographic adjustment made for birthing centers in rural and urban areas. Based on a 1990 study by KPMG Peat Marwick, maternity level provided in urban counties was 5.63% higher than the statewide median maternity operating costs and rural hospitals were 3.59% lower than the statewide median.

A birthing center will be designated as an urban or rural entity based on the definition of urban and rural counties used by the Medicare program for reimbursement purposes. The urban areas (counties) are those inside the Metropolitan Statistical Areas (MSA) and the rural areas (counties) are those outside the MSA.

(4) The statewide average length of stay in an inpatient hospital for mother and child is 2.7 days. According to Dr. Roger Deapen of the Oklahoma State Health Department, 28,259 of the 47,759 or 59% of all deliveries during 1991 had no risk factors. The length of stay average of 2.7 days was adjusted for low risk deliveries by multiplying 59% x 2.7 days to arrive at an average length of stay for low risk deliveries of 1.6 days. Birthing centers delivery costs average 33% less than hospital delivery.



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